

1 Jeremy D. Smith (SBN 242430)
jsmith@kranesmith.com

2 Craig S. Berman (SBN 195718)
cberman@kranesmith.com

3 **KRANE & SMITH, APC**
4 16255 Ventura Blvd., Suite 600
5 Encino, CA 91436
(818) 382-4000 Telephone
(818) 382-4001 Facsimile

6 Attorneys for Defendant KITROSS
7 APPAREL LOS ANGELES, LLC

8 **UNITED STATES DISTRICT COURT**

9 **CENTRAL DISTRICT OF CALIFORNIA – WESTERN DIVISION – L.A.**

10
11 SAJAHTERA, INC., a Delaware
12 corporation, dba THE BEVERLY
HILLS HOTEL,

13 Plaintiff,

14 v.

15 KITROSS APPAREL LOS ANGELES,
16 LLC, a California limited liability
company; and DOES 1 through 50,

17 Defendants.

CASE NO. 2:23-cv-08005

[Assigned to Hon. Michael W.
Fitzgerald, Courtroom 5A]

**OPPOSITION TO PLAINTIFF /
COUNTER-DEFENDANT'S
MOTION TO DISMISS AND
STRIKE PORTIONS OF
COUNTERCLAIM**

Date: March 18, 2024
Time: 10:00 a.m.
Judge: Michael W. Fitzgerald
Court: 5A

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1 **I. INTRODUCTION**

2 Plaintiff/Cross-Defendant SAJAHTERA, INC. dba THE BEVERLY HILLS
3 HOTEL (“BH Hotel”) begins its brief asking the Court to dismiss Defendant/Cross-
4 Complainant KITROSS APPAREL LOS ANGELES, LLC’S (“Kitross”) counterclaims with the extraordinary premise that the Court disposed of Kitross’
5 defenses when it denied Kitross’ motion to dismiss BH Hotel’s Complaint. However,
6 a motion to dismiss tests whether a plaintiff’s complaint states plausible claims for
7 relief, not whether defenses raised in the motion to dismiss potentially have merit. If
8 BH Hotel had complied with the requirement to meet and confer with Kitross’ counsel
9 at least seven days before filing, perhaps this motion could have been avoided.
10 Instead, it purported to satisfy L.R. 7-3 by sending an insulting letter that only
11 disclosed one of the arguments in the motion it filed three day days later and
12 misleadingly implied that the motion would include numerous different arguments
13 not found in the moving papers.

14
15 In its actual moving papers, BH Hotel first invokes an imaginary rule
16 forbidding redundant counterclaims to ask the Court to dismiss Kitross’ declaratory
17 judgment counterclaims. While the Court has discretion as to whether to exercise
18 jurisdiction over any declaratory judgment counterclaim, there are good reasons to do
19 so here. Kitross’ counterclaims, which largely rely on different factual allegations
20 from those in BH Hotel’s complaint, allegations which tell Kitross’ side of the dispute
21 and support its defenses and all four of its claims for declaratory and other relief.

22 Asking the Court to dismiss Kitross’ claim for cancellation of the trademarks
23 for genericness, BH Hotel copies paragraphs about genericide almost verbatim from
24 a Ninth Circuit opinion, but then argues the claim for cancellation should be dismissed
25 because it does not identify the specific services for which the trademarks are generic.
26 But BH Hotel’s trademarks only registered for three closely related services, so there
27 is no ambiguity.

28 / / /

Motions to strike under Rule 12(f) are disfavored, but BH Hotel nevertheless asks the Court to strike pages of Kitross’ allegations, despite asking the Court to do the *opposite* when *it* opposed Kitross’ Motion to Dismiss. The targets include (1) allegations of third party uses of “Beverly Hills” and (2) allegations about BH Hotel’s owner’s tarnishment of its own already weak trademarks through human rights violations in Brunei that have sparked protests and a boycott against the BH Hotel in the United States. Allegations should only be stricken if they have no possible relation to the controversy and may prejudice the other party. Here, third party uses are relevant to the strength of the marks, a likelihood-of-confusion factor and to dilution. Allegations about the tarnishment of the trademarks by the Sultan of Brunei’s harsh and discriminatory criminal laws and the resulting protests of the BH Hotel and bad press are directly relevant to dilution. The self-tarnishment defense is uncommon but not unprecedented, particularly in light of BH Hotel’s repeated references to its “iconic” brand. Further, it is based on the statutory requirement that an owner seeking remedies for dilution prove likelihood of dilution of a famous and distinctive mark. Just as the Court treated BH Hotel’s allegations as true for the purpose of deciding Kitross’ motion to dismiss the complaint, Kitross’ allegations should be treated as true and reasonable inferences from them drawn in its favor to resolve this motion—by denying it.

II. FACTUAL BACKGROUND

Kitross operates three brick-and-mortar storefronts, including one at 420 North Beverly Drive, Beverly Hills, California. Kitross is an upscale retailer that provides high quality, on-trend merchandise at attractive prices in clean, spacious, and guest-friendly stores and online at www.kitsonlosangeles.com. (Dkt. 24, ¶ 6.) BH Hotel is a luxury hotel. It was built and commenced operations in 1912. When BH Hotel opened, the city of Beverly Hills had not been incorporated, but the hotel was located in a subdivision of the county of Los Angeles already known as Beverly Hills. The city of Beverly Hills was incorporated in 2014. (*Id.* at ¶ 7.) In the 1940s, BH Hotel

1 was renovated, and the “Crescent Wing” was added, with a modernist façade that
 2 faces Sunset Boulevard. Completed in 1949, the Crescent Wing’s façade displayed
 3 and still displays the name “The Beverly Hills” in stylized lettering designed by the
 4 architect, Paul Revere Williams. (*Id.* at ¶ 8.)

5 Almost immediately, other entities located in Beverly Hills began using
 6 Williams’ stylized lettering together with the name “Beverly Hills,” having no reason
 7 to believe that BH Hotel claimed any exclusive right to use the stylized lettering in
 8 combination with the proper name of the city of Beverly Hills. (*Id.* at ¶ 9.) For
 9 example, the Beverly Hills Oasis apartment building at 9500 West Olympic
 10 Boulevard, built in 1948, displays its name on its own façade in Williams’ stylized
 11 lettering. (*Id.* at ¶ 10.)

12 In 1959, the Beverly Hills Bodega café opened on Robertson Boulevard in
 13 Beverly Hills. This establishment sells sandwiches, Mexican food, and liquor. Its
 14 logo includes the words “Beverly Hills” in the Williams-designed lettering, and it
 15 appears on the café’s window, menu, signage, bags, and merchandise. (*Id.* at ¶ 11.)

16 **A. The California Courts Find “Beverly Hills Hotel” Geographically**
 17 **Descriptive.**

18 Around 1954, BH Hotel sued Hilton Hotels Corporation in the Superior Court
 19 of Los Angeles County for infringement of a trade name and unfair competition, and
 20 sought an injunction against Hilton calling its hotel, then under construction, “The
 21 Beverly Hilton Hotel.” (*Id.* at ¶ 12.) BH Hotel lost this case. At the conclusion of a
 22 bench trial, the Hon. Allen T. Lynch issued a number of findings. The superior court
 23 found, among other things, that the words “Beverly Hills” had been, since 1907, and
 24 still were, geographical. It found that the word ‘Hotel’ had been, since prior to the
 25 year 1912, and still was, descriptive of a certain type of business. It therefore found
 26 that the words “Beverly Hills Hotel’ had been, since the year 1912, and still were,
 27 geographical and descriptive of the business conducted by the plaintiff and its
 28 predecessors.” (*Id.* at ¶ 13.) The superior court further found that the use of the name

1 “Beverly Hills Hotel” by BH Hotel since 1912 had not resulted in the name acquiring
2 any secondary meaning or special significance in the mind of the public generally or
3 the hotel-going public in particular and the words “Beverly Hills Hotel” had not
4 acquired any meaning different from their original lexicographical meaning as a
5 geographical and descriptive term. (*Id.* at ¶ 14.)

6 The superior court also found that there was no confusing similarity either in
7 visual appearance or in sound between the name “Beverly Hills Hotel” and the name
8 “the Beverly Hilton” and the use of “The Beverly Hilton” by defendants had not and
9 would not result in a likelihood of confusion in the mind of the general public or the
10 hotel-going public. The injunction was denied. (*Id.* at ¶ 15.) BH Hotel appealed, and
11 the Court of Appeal of California, Second Appellate District, Division One, affirmed
12 the decision of the Superior Court of Los Angeles County, issuing its opinion on July
13 13, 1955. ((*Id.* at ¶ 16.)

14 **B. Television and Movies Make the City of Beverly Hills a Household**
15 **Name Associated with Wealth, Luxury, and Celebrities.**

16 The Beverly Hillbillies is a sitcom broadcast on CBS from 1962 through 1971.
17 Its premise was that a poor mountaineer strikes oil on his farm in Missouri and
18 instantly becomes very wealthy. His newfound wealth prompts him to pack up and
19 move his family into a mansion in Beverly Hills, known for its swimming pools and
20 movie stars. The show was among the top 20 most-watched shows for eight seasons,
21 cementing the public’s association of the city of Beverly Hills with wealth, luxury
22 and celebrities. (*Id.* at ¶ 17.)

23 Beverly Hills Cop is a film franchise including three American action comedy
24 films set largely in Beverly Hills. Beverly Hills Cop was released in 1984. It
25 catapulted actor and comedian Eddie Murphy to international stardom and was the
26 highest grossing film released in the United States in 1984. It was also nominated for
27 a Golden Globes award and an Academy Award for best screenplay. Beverly Hills
28 Cop II and Beverly Hills Cop III were later released. As a result, millions of people

1 who have never heard of the Beverly Hills Hotel are aware of Beverly Hills as a city.
2 (*Id.* at ¶ 18.)

3 In 1989, Columbia Pictures released *Troop Beverly Hills*, a comedy movie
4 starring Shelley Long as a separated socialite who becomes the den mother to a troop
5 of Wilderness Girls scouts. Many Beverly Hills landmarks, including BH Hotel,
6 appear in the film, and several celebrities made cameo appearances. While less
7 profitable than *Beverly Hills Cop*, the film educated a different audience about the
8 city of Beverly Hills and its association with celebrities, the extremely wealthy, and
9 their luxurious lifestyles. (*Id.* at ¶ 19.)

10 Beverly Hills 90210 is a teen drama television series that ran on Fox from 1990-
11 2000. It follows the lives of a group of friends from high school through college and
12 into young adulthood. Down-to-earth twins move with their parents from Minnesota
13 to Beverly Hills, where they are drawn into the lives of their privileged classmates.
14 The series became a global pop culture phenomenon in the early nineties, with
15 millions watching each episode. After the series ended, episodes continued to run in
16 syndication for many years. As a result, millions of people who have never heard of
17 the Beverly Hills Hotel are familiar with the city of Beverly Hills as an upscale
18 destination populated and frequented by the rich and famous. (*Id.* at ¶ 20.) Through
19 these films and television shows, and others, the public has an impression of the city
20 of Beverly Hills separate and apart from its impression, if any, of BH Hotel. These
21 facts show that “Beverly Hills” continues to be geographically descriptive, as
22 California’s courts found in the 1950s, and even more so. (*Id.* at ¶ 21.)

23 C. BH Hotel Finally Registers its Trademarks.

24 In the late eighties, BH Hotel finally applied with the U.S. Patent and
25 Trademark Office (“USPTO”) to register various trademarks, including “The Beverly
26 Hills Hotel” in plain text and “The Beverly Hills Hotel” in Williams’ stylized
27 lettering. The USPTO granted registrations for these two marks, now asserted against
28 Kitross, for the goods and services “Hotel, Restaurant and Catering Services.” On

1 information and belief, the USPTO was unaware, when it granted the registrations, of
 2 the California courts' decisions that "Beverly Hills Hotel" is geographically
 3 descriptive. The USPTO was also unaware of any of the third party uses of "Beverly
 4 Hills" combined with Williams' stylized lettering. (*Id.* at ¶ 22.)

5 **D. Third Parties Continue to Use Williams' Stylized Lettering with**
 6 **"Beverly Hills" with No Complaints by BH Hotel.**

7 After BH Hotel obtained its federal registrations, third parties continued to
 8 combine "Beverly Hills" with Williams' stylized handwriting, in their trademarks and
 9 for ornamental and functional purposes. (*Id.* at ¶ 23.) The following are some
 10 examples.

11 Ingrid Wittman, an internationally known couture clothing designer located in
 12 Beverly Hills, sells a line of apparel, the "Beverly Hills collection" including baseball
 13 caps, sweatshirts and other apparel displaying the words "Beverly Hills" in Williams'
 14 stylized lettering as used on BH Hotel's Crescent Wing façade. Her products are sold
 15 in her retail store and from a kiosk in "The Grove," a shopping, dining, and lifestyle
 16 destination in an open air environment in Los Angeles near Pan Pacific Park. The
 17 Beverly Hills themed apparel is sold next to similar merchandise displaying the city
 18 name "Bel Air." The Grove is one of the busiest retail locations in the world. (*Id.* at
 19 ¶ 24.)

20 Dr. Ash Khodabaksch, a board certified chiropractor in Beverly Hills, uses a
 21 graphic showing the words "Beverly Hills Chiro" in Williams' stylized lettering on
 22 his website at <https://www.thechiroguy.com/about/>. (*Id.* at ¶ 25.)

23 A Beverly Hills boutique law firm, Beverly Hills Attorney Group, uses
 24 Williams' stylized lettering on its website at beverlyhillsattorneys.com. (*Id.* at ¶ 26.)
 25 On October 27, 2023, the Beverly Hills Courier ran an advertisement for an event
 26 called "Beverly Hills Doggy Daze 90210" that uses the Williams' stylized lettering
 27 with the Beverly Hills name. (*Id.* at ¶ 27.)

28 ///

1 In 2023, the Beverly Hills Historical Society produced a documentary called
 2 “The Stars Who Saved Beverly Hills.” On the title screen, “Beverly Hills” is shown
 3 in a stylized lettering almost identical to Williams’ stylized lettering. (*Id.* at ¶ 28.) In
 4 2019, sculptor “Mr. Brainwash” created a sculpture consisting of the words “Beverly
 5 Hills is Beautiful” in large pink stylized lettering almost identical to Williams’
 6 stylized lettering. The sculpture is displayed in Beverly Canon Gardens in the Golden
 7 Triangle in Beverly Hills, where it has become a cultural landmark and a popular
 8 subject for photographs. (*Id.* at ¶ 29.)

9 On information and belief, the BH Hotel has never complained about any of
 10 these uses of “Beverly Hills” combined with a font similar to Williams’ stylized
 11 lettering. (*Id.* at ¶¶ 10, 11, 24-29.)

12 **E. BH Hotel’s and the Dorchester Collection’s Brunei Owners Tarnish**
 13 **its Reputation and Trademarks by Codifying and Enforcing Sharia**
 14 **Law Against Brunei’s Citizens, Sparking Protests and a Boycott of**
 15 **BH Hotel.**

16 The Dorchester Collection, of which BH Hotel is part, is owned by the Brunei
 17 Investment Agency, and arm of the government of Brunei, a monarchy ruled by its
 18 Sultan. (*Id.* at ¶ 30.) In 2014, Brunei started incorporating Islamic Sharia law into its
 19 legal system, including codifying the persecution of gay people. (*Id.* at ¶ 31.) In
 20 response, gay rights advocacy groups, travel influencers, and celebrities encouraged
 21 the public to boycott BH Hotel. Many bookings were cancelled, and the Beverly Hills
 22 City Council passed a resolution urging the Sultan to sell the BH Hotel. Adweek
 23 published a story stating: “the bad press and protests have tarnished the glamorous
 24 image of the Beverly Hills Hotel, one of the most famous hotels in the world, and that
 25 “such extreme brand damage will be difficult to repair.” (*Id.* at ¶ 32.)

26 In 2019, however, Brunei implemented strict Sharia criminal laws, allowing
 27 punishments such as stoning to death for having gay sex. This decision increased
 28 support for the continuing boycott of BH Hotel. Actor George Clooney was quoted

1 in the Los Angeles Times, saying “every single time we stay at or take meetings at or
 2 dine at any of [Brunei’s] hotels, we are putting money directly into the pockets of men
 3 who choose to stone and whip to death their own citizens for being gay or accused of
 4 adultery.” (*Id.* at ¶ 33.)

5 **F. The BH Hotel Discovers Kitross’ Use, and Litigation Ensues.**

6 On August 11, 2023, BH Hotel discovered that Kitross was selling, in its
 7 Beverly Hills location, a variety of clothing, products, and accessories with the words
 8 “Beverly Hills” in William’s stylized lettering as displayed on the BH Hotel’s facade.
 9 (*Id.* at ¶ 34.) The phrase “Beverly Hills” is an ornamental feature of the products, not
 10 an identifier of their source. One product is a pillow with a needlepoint cover,
 11 declaring, “I’d rather be in Beverly Hills,” against a pink background with large green
 12 banana leaves. None of the products has both words on the same line like the
 13 registered trademarks do and none uses the whole phrase “The Beverly Hills Hotel.”
 14 (*Id.* at ¶ 35.)

15 BH Hotel sent Kitross a letter alleging trademark infringement, trademark
 16 dilution, and violating California’s unfair competition law, and demanding that Kitson
 17 immediately cease and desist selling the Beverly Hills themed products. The same
 18 day, BH Hotel sent a similar letter to JET Corp.— John Eshaya, including the same
 19 allegations of infringement, dilution, and unfair competition as in the letter to Kitson
 20 and demanded that JET cease and desist. (*Id.* at ¶ 36.) Fraser Ross, the owner of
 21 Kitross, sent an email to BH Hotel’s counsel responding to the cease and desist letter.
 22 Without admitting infringement or unfair competition, Mr. Ross explained, “Our
 23 flagship location is in Beverly Hills and we promote the City of Beverly Hills due to
 24 our location.” (*Id.* at ¶ 37.) BH Hotel sued Kitross for federal trademark
 25 infringement, dilution and unfair competition on September 25, 2023. (*Id.* at ¶ 38.)

26 **III. LEGAL STANDARD**

27 A motion to dismiss counterclaims under Rule 12(b)(6) is evaluated under the
 28 same standard as a motion to dismiss a plaintiff’s complaint. *AirWair Int’l. Ltd. v.*

1 *Schultz*, 84 F.Supp.3d 943, 949 (N.D. Cal. 2015). A motion to dismiss under Rule
 2 12(b)(6) tests the legal sufficiency of the claims alleged in the complaint. *Parks*
 3 *School of Bus., Inc. v. Symington*, 51 F.3d 1480, 1484 (9th Cir. 1995). A court must
 4 accept all factual allegations in the pleading as true. *Erickson v. Pardus*, 551 U.S. 89,
 5 94 (2007). A court may dismiss a claim where “there is no cognizable legal theory”
 6 or absence of sufficient factual matter to state a facially plausible claim for relief.”
 7 *Shroyer v. New Cingular Wireless Servs., Inc.*, 622 F.3d 1035, 1041 (9th Cir. 2010)
 8 (citing *Ashcroft v. Iqbal*, 556 U.S. 662, 677-78 (2009)). “To survive a motion to
 9 dismiss, a complaint must contain sufficient factual matter . . . to ‘state a claim for
 10 relief that is plausible on its face.’” *Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009)
 11 (quoting *Bell Atlantic v. Twombly*, 550 U.S. 544, 570 (2007). “Determining whether
 12 a complaint states a plausible claim for relief is ‘a context-specific task that requires
 13 the reviewing court to draw on its judicial experience and common sense.’” *Ebner v.*
 14 *Fresh, Inc.*, 838 F.3d 958, 963 (9th Cir. 2016) (quoting *Iqbal*, 556 U.S. at 679).

15 **IV. ARGUMENT**

16 **A. Kitross’ Counterclaims for Declaratory Judgment are not Mere** 17 **Mirror Images of BH Hotel’s Claims of Infringement and Dilution** 18 **Because they are Largely Based on Different Allegations and** 19 **Theories.**

20 BH Hotel represents that under a “mirror image rule” a defendant is not
 21 permitted to assert a counterclaim for declaratory judgment that restates issues already
 22 before the court as part of the plaintiff’s affirmative case. (Mot. at 2:24-27.) There
 23 is no such rule.¹ The copyright case cited simply states that courts “often dismiss
 24 “mirror image” counterclaims where they merely restate issues already before the
 25 court as part of a plaintiff’s affirmative case.” *Atlantic Recording Corp. v. Serrano*,

27 ¹ There is a rule called the “mirror image rule” but it has to do with contract formation, not
 28 counterclaims for declaratory judgment. See, e.g., *Diamond Fruit Growers, Inc. v. Krack*
Corp., 794 F. 2d 1440, 1443 (9th Cir. 1986).

1 No. 07-CV-1824 TW (JMA), 2007 U.S. Dist. LEXIS 95203, at *11 (S.D. Cal. Dec.
 2 28, 2007) (granting record companies' motion to dismiss individual's declaratory
 3 judgment counterclaim as redundant and unnecessary where defendant did not
 4 counter moving parties' argument) (citing *Avery Dennison Corp. v. Acco Brands, Inc.*,
 5 No. 99-cv-1877 DT, 2000 WL 986995 (C.D. Cal. Feb. 22, 2000) and *Interscope*
 6 *Records v. Duty*, No. 05-3744, 2006 WL 988086, at *12, 2006 U.S. Dist. LEXIS
 7 20214, at *10-11 (D. Ariz. April 14, 2006). BH Hotel also relies on *Avery Dennison*.
 8 In *Avery Dennison*, however, the district court dismissed the defendant's declaratory
 9 judgment claim *as moot* at the summary judgment stage, not at the pleading stage.
 10 *Avery*, No. 99-1877DT, 2000 WL 986995, at *4, 2000 U.S. Dist. LEXIS 3938, at *13
 11 (C.D. Cal. Feb. 22, 2000). And the declaratory judgment claim was moot because the
 12 court had already granted summary judgment for the defendant on Avery Dennison's
 13 claims for trademark infringement and dilution. *Id.* The *Avery Dennison* court cited
 14 a Third Circuit case affirming the dismissal of a declaratory judgment counterclaim,
 15 but in that case the counterclaim also became moot when the district court granted
 16 summary judgment in the defendant/counterclaimant's favor, and there was complete
 17 identity between the factual and legal issues in the complaint and the counterclaim.
 18 *Aldens, Inc. v. Packel*, 524 F.2d 38, 51-52, 53 (3d. Cir. 1975). Neither *Avery*
 19 *Dennison* nor *Aldens* supports dismissing even a mirror-image counterclaim at the
 20 pleading stage. Indeed, the Court observed that "a declaratory action is generally the
 21 mirror image of an action for copyright infringement." *KTS Karaoke, Inc. v. Sony*
 22 *ATV Music Pub. LLC.*, No. CV-12-00014MWF (JEMx), 2012 U.S. Dist. LEXIS
 23 196945, at *2 (C.D. Cal. September 17, 2012) (denying motion to dismiss declaratory
 24 judgment action for failure to identify the relevant copyrights when they were very
 25 likely the same copyrights for which the defendant was suing the plaintiff).
 26 Dismissing declaratory judgment counterclaims is not always appropriate just
 27 because they arise from the transaction as the complaint and concern the same subject
 28 matter. *Stickrath v. Globalstar, Inc.*, No. 07-cv-1941-THE, 2008 U.S. Dist. LEXIS

1 95127, 2008 WL 2050990, at *3 N.D. Cal. May 13, 2008). Instead, courts should
2 focus on whether the counterclaims serve any useful purpose and only dismiss
3 counterclaims when it is clear that there is a complete identity of factual and legal
4 issues between the complaint and the counterclaim. *Id.*

5 Here, Kitross’ declaratory judgment claims ask for judgments that Kitross has
6 not infringed or diluted the asserted trademarks—the opposite of rulings sought in the
7 Complaint—but they rely on very different fact allegations that go to the strength,
8 scope, and validity of the trademarks. In this way, they serve the purpose of providing
9 BH Hotel with notice of details of some of Kitross’ defenses and the evidence for
10 those defenses. The general allegations in the Counterclaim discuss facts relevant to
11 multiple factors relevant to likelihood of confusion, the central issue in trademark
12 infringement disputes. These include allegations that BH Hotel did not claim
13 trademark rights to “Beverly Hills” in Williams’ stylized lettering until almost thirty
14 years after the name and lettering were prominently placed on the Crescent Wing’s
15 façade. In those almost thirty years, multiple third parties using “Beverly Hills” in
16 their business names or to refer to the city of Beverly Hills copied Williams’ stylized
17 lettering. In this way, the Williams-designed lettering became associated with the city
18 name. These facts go to the strength (or weakness) of the later-registered trademarks.
19 They are also relevant to dilution. “A plaintiff seeking relief under federal anti-
20 dilution law must show that its mark is famous and distinctive, that defendant began
21 using its mark in commerce after plaintiff’s mark became famous and distinctive, and
22 that defendant’s mark is likely to dilute plaintiff’s mark.” *Visa Intern. Service Ass’n*
23 *v. JSL Corp.*, 610 F.3d 1088, 1089-1090 (9th Cir. 2010). Allegations that California’s
24 courts have already found “Beverly Hills” geographically descriptive are also relevant
25 to show that “the Beverly Hills Hotel” is a weak mark. *See Sand Hill Advisors, LLC*
26 *v. Sand Hill Advisors, LLC*, 680 F.Supp. 2d 1107, 1118-19 (N.D. Cal. 2010) (“Sand
27 Hill Advisors is primarily geographically descriptive and therefore a weak mark,
28 especially where other companies used “Sand Hill” in their business names). They

1 are also relevant to dilution because only “distinctive” marks are protected from
 2 dilution, and descriptive marks do not become distinctive unless they have acquired
 3 secondary meaning. *Rudolph Intl. v. Realys, Inc.*, 482 F. 3d 1195, 1198 (9th Cir.
 4 2007).

5 In a trade secret case, a district court denied a motion to dismiss purported
 6 mirror-image counterclaims, recognizing that the plaintiff’s trade secret claims might
 7 reach final judgment without ever resolving whether the trade secrets were
 8 protectible, while the declaratory judgment claim would allow the court to determine
 9 all the parties’ obligations. *Calsoft Labs. v. Panchumarthi*, No. 19-cv-04398-NC,
 10 2020 U.S. Dist. LEXIS 127493, * 9 (N.D. Cal. June 8, 2020). Further, dismissing the
 11 counterclaim at the pleading stage might prove premature. *Id.* Here, similarly, if the
 12 counterclaim does not add any legal issues to the case, it will not broaden the scope
 13 of discovery, or make more work for the Court, and dismissal might prove premature
 14 after the factual records has been developed.

15 BH Hotel is correct that a district court in this district has dismissed
 16 counterclaims for declaratory judgment where the issues raised were already before
 17 the court in the plaintiff’s claims. *Englewood Lending Inc. v. G & G Coachella Invest.*
 18 *LLC*, 651 F. Supp. 2d, 1141, 1145 (C.D. Cal. 2009). But in that case, the court simply
 19 exercised its discretion under the Declaratory Judgment Act to decline to hear claims
 20 it deemed superfluous. It did not cite or suggest any rule that would require
 21 declaratory judgment counterclaims to be dismissed when they raise issues already in
 22 the operative complaint. Indeed, such a rule would interfere with the Court’s
 23 discretion to hear or decline to hear a given declaratory judgment claim. The motion
 24 to dismiss the infringement and dilution counterclaims should be denied.

25 **B. Kitross has Stated a Claim for Cancellation of BH Hotel’s**
 26 **Trademarks for Genericness.**

27 Whether a mark is generic is a question of fact. *Stuhlbarg Int’l Sales Co., Inc.*
 28 *v. John D. Brush & Co., Inc.*, 240 F.3d 832, 840 (9th Cir. 2001); *see also KP*

1 *Permanent Make-Up v. Lasting Impression I, Inc.*, 408 F.3d 596, 605 (9th Cir. 2005)
 2 (treating the question of whether term was generic as “an intensely factual issue”);
 3 *Denver Urban Homesteading, LLC v. Dervaes Inst.*, 2015 U.S. Dist. LEXIS 176475,
 4 at *11 (C.D. Cal. November 5, 2015). Here, Kitross has alleged that BH Hotel’s
 5 “trademarks have become generic and do not function as a service mark because they
 6 fail to uniquely identify BH Hotel as the source of services.” (Dkt. 24, ¶ 58.) The
 7 counterclaim also incorporates by reference the general allegations, which include the
 8 allegations that since 1959, third parties have used the words “Beverly Hills” in the
 9 William’s designed stylized lettering or very similar lettering, for their businesses or
 10 art works located in Beverly Hills, all without complaints from BH Hotel. (*Id.* at ¶
 11 58; see also ¶¶ 10, 11, 24-29.) These allegations support a reasonable inference that
 12 the general public has come to associate the stylized lettering with the name of the
 13 city of Beverly Hills. In deciding a 12(b)(6) issue, the Court must take the factual
 14 allegation that the asserted trademarks are generic as true.

15 Pleading a claim for cancellation for genericness is not arduous. For example,
 16 a district court concluded that a defendant/counterclaimant sufficiently alleged that
 17 “BLK” marks were generic or descriptive for drinks that are black in color by alleging
 18 that “BLK” is the most common abbreviation for “black” and the marks had not
 19 acquired distinctiveness through establishing secondary meaning in the marketplace.
 20 *BLK Brands, LLC v. Five Tran Inv. Grp., LLC*, No. SACV 20-01932-CJC (JDEx),
 21 2021 U.S. Dist. 139599, at *5, (C.D. Cal. Apr. 7, 2021). Another court denied a
 22 motion to dismiss counterclaims for cancellation of trademarks for genericness based
 23 on allegations that third party companies had been using the same or substantially
 24 similar marks as the plaintiffs for decades and that the marks did not function as
 25 source identifiers. *Gibson Brands, Inc. v. John Hornby Skewes & Co.*, No. CV 14-
 26 000609 DPP (SSx), 2014 U.S. Dist. LEXIS 150734, at *18-20 (C.D. Cal. October 23,
 27 2014). The court also found that the counterclaim adequately pleaded the public’s
 28 perception of the plaintiff’s marks by alleging that each mark “does not function as a

1 source identifier” which alleged a fact about the public’s state of mind with regard to
2 the mark. *Id.* at *19, citing *Anti-Monopoly, Inc. v. General Mills Fun Grp.*, 611 F.2d
3 296, 302 (9th Cir. 1979) (a “trademark is invalid unless source identification is its
4 primary significance”).

5 BH Hotel contends that Kitross has failed to state a claim for genericness
6 because it has not alleged what the good or service is for which its marks are generic.
7 (Dkt. 27-1 at 6:9-13, citing *Elliott v. Google, Inc.*, 860 F.3d 1151, 1157 (9th Cir. 2017)
8 and *Entrepreneur Media, Inc. v. Dermer*, No. SACV-181562-JVS (ESx), 2019 WL
9 4187466, at *7 (C.D. Cal. July 22) and 15 U.S.C. section 1063(4).) But here, BH
10 Hotel has alleged in its complaint that its asserted trademarks are registered in
11 association with only three related services: hotel, restaurant, and catering services.
12 (Dkt. 23 at 2.) The counterclaim gives context to the allegations in the counterclaim
13 for cancellation. While Kitross has not alleged in so many words that the registered
14 mark is generic for hotel, restaurant, and catering services, its allegations in its
15 counterclaim for cancelation make that clear. Kitross also alleged that the USPTO
16 granted registrations for BH Hotel’s two asserted trademarks for the goods and
17 services “Hotel, Restaurant and Catering Services,” unaware that the California courts
18 had found the marks geographically descriptive for BH Hotel’s business. (Dkt. 24,
19 ¶¶ 22.) As BH Hotel described its business to the USPTO as hotel, restaurant, and
20 catering services, there is no uncertainty as to which services Kitross alleges the
21 registered marks have become generic.

22 Kitross also alleged that the “primary meaning, and perhaps the only meaning
23 of “Beverly Hills” as a standalone phrase is the city, not BH Hotel.” (*Id.* at ¶ 42.)
24 Kitross alleged that when the hotel opened in 1912, it was located in a subdivision of
25 the city of Los Angeles already known as Beverly Hills. (*Id.* at ¶ 7.) Kitross further
26 alleges the findings of the California Superior Court in previous trademark litigation
27 that the words “Beverly Hills” are geographical; that the word “Hotel” is descriptive
28 of a certain type of business; that the words “Beverly Hills Hotel” were geographical

1 and descriptive of the BH Hotel’s business; and that the name “Beverly Hills Hotel”
 2 had not acquired secondary meaning. (*Id.* at ¶¶ 12-16.) It can be difficult to determine
 3 where the line is between weak descriptive marks and generic marks. *Filipino Yellow*
 4 *Pages, Inc. v. Asian Journal Pubs., Inc.*, 198 F.3d 1143, 1151 (9th Cir. 1999).
 5 Therefore, allegations that support descriptiveness also support genericness.

6 The counterclaim alleges facts about popular, successful television series and
 7 films set in the city of Beverly Hills, including *The Beverly Hillbillies*, *Beverly Hills*
 8 *Cop I-III*, *Troop Beverly Hills*, and *Beverly Hills 90210*, all viewed by millions of
 9 people in the United States. (*Id.* at ¶¶ 17-21.) These facts show that “Beverly Hills”
 10 continues to be geographically descriptive, as California’s courts found in the 1950s,
 11 and even more so.” (*Id.* at ¶ 21.) For all these reasons, the Counterclaim, read as a
 12 whole, alleges that “The Beverly Hills Hotel” mark is a generic name for a hotel
 13 located in Beverly Hills, i.e. for hotel, restaurant, and catering services. In the *Dermer*
 14 case, the pleading problem was that the trademark owner had six registrations for
 15 “Entrepreneur” encompassing over twenty kinds of goods and services. 2019 WL
 16 4187466, at *16. The Court concluded that the counterclaim had not adequately
 17 alleged how EMI’s ENTREPRENEUR mark could simultaneously identify over
 18 twenty different goods and services. *Id.* Here, there is no such ambiguity. If the
 19 Court disagrees, Kitross should be granted leave to amend its counterclaim to
 20 specifically allege that the trademark is generic for hotel, restaurant, and catering
 21 services in the city of Beverly Hills, California. Generally, the Ninth Circuit has a
 22 liberal policy favoring amendments and, thus, leave to amend should be freely
 23 granted. *See, e.g., DeSoto v. Yellow Freight System, Inc.*, 957 F.2d 655, 658 (9th Cir.
 24 1992).

25 C. Kitross has Stated a Claim for Tortious Interference.

26 Kitross has sufficiently stated facts showing “independently wrongful conduct”
 27 by BH Hotel. In *Della Penna v. Toyota Motor Sales, U.S.A., Inc.*, 11 Cal.4th 376,
 28 393 (1995) the California Supreme Court held that a plaintiff seeking to recover

1 damages for interference with prospective economic relations must plead and prove
2 as part of its case-in-chief that in the context of the third element the defendant's
3 conduct was "wrongful by some legal measure other than the fact of interference
4 itself." In satisfying the "independently wrongful conduct" requirement, "Defendant's
5 liability may arise from improper motives or from the use of improper means. They
6 may be wrongful by reason of a statute or other regulation, or a recognized rule of
7 common law or perhaps an established standard of a trade or profession." *Id.* at 385
8 (citations omitted). "[A]n act is independently wrongful if it is unlawful, that is, if it
9 is proscribed by some constitutional, statutory, regulatory, common law, or other
10 determinable legal standard." *Edwards v. Arthur Anderson*, 44 Cal.4th 937, 944
11 (2008).

12 Commonly included among improper means are actions which are
13 independently actionable, violations of federal or state law or unethical business
14 practices, e.g., violence, misrepresentation, unfounded litigation, defamation, trade
15 libel or trademark infringement." *PMC, Inc. v. Saban Entertainment, Inc.*, 45
16 Cal.App.4th 579, 602-603 (1996); *Angus v. Transnational Auto. Grp., Inc., No.*
17 *CV0900143*, 2010 WL 11507997, at *13 (C.D. Cal. Sept. 20, 2010). In *Edwards*,
18 requiring an employee to sign an illegal noncompetition agreement was found to be
19 an independently wrongful act. *Edwards*, 44 Cal.4th at 944. In *Mammoth Hardware*
20 *v. Ace Hardware, No. Civ. S-05-2486 LKK/JFM*, 2006 WL 279307 at *11-14 (E.D.
21 Cal. Feb. 6, 2006), the court held that a violation of the implied covenant of good faith
22 and fair dealing in the franchise agreement and false representations constituted
23 independently wrongful acts. In *Stevenson Real Estate Services v. CB Richard Ellis*
24 *Real Estate Services, et al.*, 138 Cal.App.4th 1215, 1223 (2006), the court held that
25 the defendant's violation of the Rules of Professional Conduct of the American
26 Industrial Real Estate Association constituted the type of wrongful conduct that will
27 support a cause of action for intentional interference with prospective economic
28 advantage.

1 In this case, Kitross has alleged that BH Hotel has wrongfully enforced its
 2 otherwise unenforceable trademark against Kitross. In addition, BH Hotel has also
 3 attempted to enforce its unenforceable trademark against other companies in an effort
 4 to prohibit them from supplying Kitross with merchandise for sale because those
 5 items contain the phrase, “Beverly Hills”. Specifically, as alleged in paragraph 35 of
 6 its Counterclaim, Kitross alleges:

7 “The phrase ‘Beverly Hills’ is an ornamental feature of the products, not
 8 an identifier of their source. One product is a pillow with a needlepoint
 9 cover, declaring, ‘rather be in Beverly Hills,’ against a pink background
 10 with large green banana leaves. None of the products has both words on
 11 the same line like the registered trademarks and none uses the whole
 12 phrase ‘The Beverly Hills Hotel.’ A green sweatshirt and a pink hoodie
 13 each had a black sewn-on label bearing a JET logo and the name ‘John
 14 Eshaya’ to indicate their source and manufacturer.”

15 BH Hotel sent a cease and desist letter to JET and as a result JET stopped
 16 providing Kitross with pillows. BH Hotel’s wrongful attempts to selectively enforce
 17 its trademark against Kitross has caused damage to Kitross evidenced by Kitross’ lost
 18 sales.

19 **D. The Allegations BH Hotel Seeks to Strike are Relevant to Issues**
 20 **Raised by its Own Complaint and by Kitross’ Counterclaim.**

21 **1. Motions to strike are disfavored and should be denied if the**
 22 **allegations at issue might be relevant to issues in action.**

23 Motions to strike “are generally disfavored because they are often used as
 24 delaying tactics and because of the limited importance of pleadings in federal
 25 practice.” *Rosales v. Citibank*, 133 F.Supp.2d 1177, 1180 (N.D. Cal. 2001).
 26 Accordingly, motions to strike “will usually be denied unless the allegations have no
 27 possible relation to the controversy and may cause prejudice to one of the parties.”
 28 *Friedman v. 24 Hour Fitness USA, Inc.*, 580 F. Supp. 2d 985, 990 (C.D. Cal. 2008).
 “[E]ven when technically appropriate and well-founded, Rule 12(f) motions often are
 not granted in the absence of a showing of prejudice to the moving party.” 5C Charles
 Alan Wright & Arthur R. Miller, *Federal Practice and Procedure* § 1381 (3d ed. Apr.

1 2022).

2 In ruling on a motion to strike, “the court must view the pleading under attack
3 in the light most favorable to the pleader.” *RDF Media Ltd. v. Fox Broad. Co.*, 372
4 F.Supp.2d 556, 561 (C.D. Cal. 2005); *see also Hoeft v. Tucson Unified School Dist.*,
5 967 F.2d 1298, 1301 (9th Cir. 1992). Whether to grant a motion to strike under Rule
6 12(f) is left to the court’s discretion. *Federal Sav. and Loan v. Gemini Mgmt.*, 921
7 F.2d 241, 243 (9th Cir. 1990); *California Dep’t of Toxic Substances Control v. Alco*
8 *Pac., Inc.*, 217 F.Supp.2d 1028, 1033 (C.D. Cal. 2002) (“[W]hether to grant a motion
9 to strike lies within the sound discretion of the district court.”) The allegations BH
10 Hotel seeks to strike all relate to disputed issues of likelihood of confusion and/or
11 dilution and therefore should not be stricken.

12 **2. Allegations about third parties’ use of the name “Beverly**
13 **Hills” are relevant to likelihood of confusion and dilution, as**
14 **well as numerous defenses.**

15 BH Hotel argues that all allegations in the counterclaim² about third party uses
16 of the name “Beverly Hills” should be stricken as immaterial. A matter is immaterial
17 when it has no essential or important relationship to the claim for relief and is
18 impertinent when it does not pertain and is unnecessary to the issues in question.
19 *Fantasy, Inc. v. Fogerty*, 984 F.2d 1524, 1527 (9th Cir. 1993), rev’d on other grounds,
20 510 U.S. 517 (1994). Here, Kitross’ allegations about third party uses are material
21 for several reasons. First, one of the factors relevant to likelihood of confusion is the
22 strength of the asserted trademark. *Network Automation, Inc. v. Advanced Sys.*
23 *Concepts, Inc.*, 638 F.3d 1137, 1145 (9th Cir. 2011) (citing *AMF Inc. v. Sleekcraft*
24

25 _____
26 ² BH Hotel’s brief is confusing as to exactly what allegations BH Hotel is asking the
27 Court to strike. For the geographically descriptive allegations, it identifies Kitross’
28 answer and counterclaim, pg. 6, ln.12 – pg. 14, ln. 27, but the counterclaim begins on
page 10. The first allegation in the Counterclaim about third party use of “Beverly
Hills” is in paragraph 9 on page 11.

1 *Boats*, 599 F.2d 341, 348-49 (9th Cir. 1979)). Third party uses in related fields are
 2 relevant to the strength of the plaintiff's mark. *See, e.g. Arcona, Inc. v. Farmacy*
 3 *Beauty, LLC*, 976 F. 3d 1074, 1081 (9th Cir. 2020) (noting that evidence of third-
 4 party uses of trademarked phrase showed it was not unique or strong); *Lodestar*
 5 *Anstalt v. Bacardi & Co.*, 31 F.4th 1228, 1259, n. 11 (9th Cir. 2022) (rejecting
 6 appellant's argument that the district court should not have considered third party uses
 7 of the mark to show that the mark was not arbitrary); *Scat Enters. v. FCA U.S. LLC*,
 8 No. CV-14-7995R, 2017 U.S. Dist. LEXIS 207149, *11-12 (C.D. Cal. June 8, 2017)
 9 (evidence of third-party uses is a factor in determining whether likelihood of
 10 confusion between marks exists); *Align Activation Wear, LLC v. Lululemon Athletica*
 11 *Canada, Inc.*, No. 2:20-cv-03339-SVW-JEM, 2021 U.S. Dist. LEXIS 139350, at *13-
 12 14 (C.D. Cal. June 7, 2021) (finding widespread use of "align" in yoga and athletic
 13 wear undermined the strength of plaintiff's "Align Activation Wear" mark).

14 In addition to being relevant evidence of the strength of the mark, third party
 15 uses of similar marks are relevant to dilution. To establish dilution, "a plaintiff must
 16 show that (1) the mark is famous and distinctive; (2) the defendant is making use of
 17 the mark in commerce; (3) the defendant's use began after the mark became famous;
 18 and (4) the defendant's use of the mark is likely to cause dilution by blurring or
 19 dilution by tarnishment." *Jada Toys, Inc. v. Mattel, Inc.*, 518 F.3d 628, 634 (9th Cir.
 20 2008) (citing 15 U.S.C. § 1125(c)(1)); *see also Adidas Am., Inc. v. Skechers, Inc.*, 890
 21 F. 3d 747, 747, 758 (9th Cir. 2018).

22 Third, in addition to its relevance for likelihood of confusion and to dilution,
 23 plaintiff's own claims, evidence of third party uses of "Beverly Hills" even without
 24 Williams' stylized lettering, is relevant to show that its primary meaning is a
 25 geographical location, the city of Beverly Hills and therefore not inherently distinctive
 26 *See Japan Telecom, Inc. v. Japan Telecom Am. Inc.*, 287 F.3d 866, 873 (9th Cir. 2002)
 27 ("Japan Telecom" is geographically descriptive; affirming summary judgment for
 28 defendant on Lanham Act and California unfair competition claims); *New York Stock*

1 *Exch., Inc. v. New York, New York Hotel*, 69 F. Supp.2d 479, 489 (S.D.N.Y. 2001)
 2 (mark “New York Stock Exchange” was not distinctive because it merely combines
 3 the generic term “stock exchange” with the geographic term “New York”); *Weintraub*
 4 *v. Sotheby’s Int’l Realty, Inc.*, No. 2:18-cv-6922-AB (KSx), 2018 U.S. Dist. LEXIS
 5 223905, *8 (C.D. Cal. Nov. 1, 2018) (finding “Malibu Estates” geographically
 6 descriptive; granting defendant’s motion to dismiss); *Sand Hill Advisors, LLC v. Sand*
 7 *Hill Advisors, LLC*, 680 F.Supp. 2d 1107, 1118-19 (“Sand Hill Advisors is primarily
 8 geographically descriptive and therefore a weak mark, especially where other
 9 companies used “Sand Hill” in their business names). Here, Kitross includes
 10 allegations that in the fifties, California courts found the words “Beverly Hills”
 11 geographical, and found that BH Hotel’s use of the name “Beverly Hills Hotel” since
 12 1912 had not resulted in the name acquiring any secondary meaning or special
 13 significance in the mind of the public generally or BH Hotel going public. (Dkt. 24,
 14 ¶¶ 12-14.)

15 Because decades have passed since those decisions, Kitross also includes
 16 allegations that since those decisions, television and movies have made the city of
 17 Beverly Hills a household name. (*Id.* at ¶¶ 17-21.) These allegations are all relevant
 18 to how the public understands the phrase “Beverly Hills,” which is material to
 19 likelihood of confusion.

20 Fourth, evidence of third-party uses is relevant to Kitross’ defense that its use
 21 is not trademark use but ornamental or aesthetically functional use. Not every use of
 22 a trademark is source-identifying. The Ninth Circuit recognizes the aesthetic
 23 functionality doctrine adopted in *International Order of Job’s Daughters v.*
 24 *Lindeburg and Co.*, 633 F.2d 912 (9th Cir. 1980) and clarified in *Au-Tomotive Gold,*
 25 *Inc. v. Volkswagen of Am. Inc.*, 457 F.3d 1062, 1067 (9th Cir. 2006). While BH Hotel
 26 uses “THE BEVERLY HILLS HOTEL” with and without stylized lettering, as a
 27 trademark for its hotel, restaurant, and catering services, Kitross uses the phrase
 28 “Beverly Hills,” with and without stylized lettering, as an ornamental feature of the

1 clothing and pillow displaying these phrases, not to identify the source of these items.

2 Here, Kitross alleges that designer Ingrid Wittman sells a line of apparel, the
 3 “Beverly Hills collection” including baseball caps, sweatshirts, and other apparel,
 4 displaying the words “Beverly Hills” in Williams’ stylized lettering. (*Id.* at ¶ 24.)
 5 Like Kitross’ use, Wittman’s use of the city name and stylized lettering is ornamental
 6 or aesthetically functional. Another allegation is that in 2019, “Mr. Brainwash”
 7 created a sculpture consisting of the words “Beverly Hills is beautiful” in large pink
 8 stylized lettering almost identical to William’s stylized lettering. (*Id.* at ¶ 29.) BH
 9 Hotel cannot argue that his use of “Beverly Hills” in stylized lettering is anything but
 10 aesthetically functional. It certainly is not trademark use. While these uses alone do
 11 not prove that Kitross’ use is aesthetically functional, they tend to make that fact more
 12 likely and thus are relevant. Fed. R. Civ. P. 401.

13 BH Hotel seems to argue that third party uses of “Beverly Hills” are irrelevant
 14 unless they also use “the Hotel’s protected logo,” apparently meaning the Williams-
 15 designed stylized lettering used in one of BH Hotel’s registered marks. But it cites
 16 no authority for this position. All uses of “Beverly Hills” to refer to the city are
 17 relevant to allege that consumers understand Kitross’ use of the phrase as referring to
 18 the city regardless of the style of the lettering.

19 **3. Allegations about BH Hotel’s owner’s tarnishment of BH** 20 **Hotel’s reputation and brand are relevant to dilution.**

21 To establish dilution, “a plaintiff must show that (1) the mark is famous and
 22 distinctive; (2) the defendant is making use of the mark in commerce; (3) the
 23 defendant’s use began after the mark became famous; and (4) the defendant’s use of
 24 the mark is likely to cause dilution by blurring or dilution by tarnishment.” *Jada Toys,*
 25 *Inc. v. Mattel, Inc.*, 518 F.3d 628, 634 (9th Cir. 2008) (citing 15 U.S.C. § 1125(c)(1));
 26 *see also Adidas Am., Inc. v. Skechers, Inc.*, 890 F. 3d 747, 747, 758 (9th Cir. 2018).
 27 In *Adidas*, the Ninth Circuit noted that the plaintiff’s theory of harm relied on the
 28 premise that its brand was viewed as premium. *Id.* So does BH Hotel. Evidence that

1 “the bad press and protests” against BH Hotel’s owner’s incorporation of extreme
2 Islamic laws including persecution of gay people, “have tarnished the glamorous
3 image of the Beverly Hills Hotel” and that “such extreme brand damages will be
4 difficult to repair” (Dkt. 24, ¶¶ 32-33) tends to undermine the premise that the asserted
5 trademarks enjoyed goodwill before Kitross began selling Beverly Hills themed
6 merchandise using the stylized lettering of BH Hotel’s trademark. Therefore, they
7 are material to BH Hotel’s claim of dilution and Kitross’ counterclaim for declaratory
8 judgment of no dilution.

9 BH Hotel also complains that the allegations would “inflame emotions and
10 prejudice the Hotel.” But that cat is already out of the bag. The allegations in the
11 Kitross’ counterclaim are attributed to Adweek and the Los Angeles Times, both read
12 more widely than the pleadings in this case. “Self-dilution” and “self-tarnishment”
13 of a trademark can take place only to the extent that the conduct causing such effects
14 is publicly known. *Virgin Enters. v. American Longevity*, 2001 U.S. Dist. LEXIS
15 2315, *3-4, 2001 WL 237379, (S.D.N.Y. March 6, 2001) (vacating order for Richard
16 Branson’s deposition because evidence relevant to self-blurring and self-tarnishment
17 defense to dilution was available in public sources). The Trademark and Lanham Acts
18 are concerned only with the understandings, impressions, and perceptions of the
19 consuming public. To the extent that these allegations could inflame emotions, that
20 damage has already been done by the years of protests and the boycott themselves
21 and the media’s reporting about them.

22 As for the risk of prejudice to BH Hotel, a similar issue arose in *Thimes Sols.,*
23 *Inc. v. TP Link USA Corp.*, No. 2:19-cv-10374, 2022 U.S. Dis. LEXIS 128081, at *3
24 (C.D. Cal. July 11, 2022). In *Thimes*, the plaintiff moved to strike allegations in a
25 counterclaim that its president and founder had been accused of defrauding investors
26 in a cryptocurrency scheme. The defendant/counterclaimant asserted that the
27 founder’s reputation was relevant because it went to the alleged harm to its own
28 reputation and goodwill. The district court found that the moving party raised serious

1 questions about the potential for prejudice and consumption of time at trial. But the
 2 court nevertheless denied the motion to strike because it concluded that the moving
 3 party failed to show it would likely be prejudiced if the motion were denied because
 4 those concerns would be more properly addressed in a discovery motion or a motion
 5 in limine, if necessary. The same logic applies here. BH Hotel's prejudice concern
 6 can be addressed by motions in limine before trial, at which time the factual and legal
 7 record in this action will have been developed and provide better context for the
 8 court's decision.

9 **E. The Court May Deny BH Hotel's Motion for Beverly Hills Violations**
 10 **of Local Rule 7-3.**

11 This Court's local rules for filing motions include L.R. 7-3, which provides:

12 L.R. 7-3 Conference of Counsel Prior to Filing of Motions. In all cases
 13 not listed as exempt in L.R. 16-12, and except in connection with
 14 discovery motions (which are governed by L.R. 37-1 through 37-4) and
 15 applications under F.R.Civ.P. 65 for temporary restraining orders or
 16 preliminary injunctions, counsel contemplating the filing of any motion
 17 must first contact opposing counsel to discuss thoroughly, preferably in
 18 person, the substance of the contemplated motion and any potential
 19 resolution. The conference must take place at least 7 days prior to the
 20 filing of the motion. LOCAL RULES - CENTRAL DISTRICT OF
 21 CALIFORNIA 6/1/2023 Chapter I - 20 If the parties are unable to
 22 reach a resolution that eliminates the necessity for a hearing, counsel for
 23 the moving party must include in the notice of motion a statement to the
 24 following effect: "This motion is made following the conference of
 25 counsel pursuant to L.R. 7-3 which took place on (date)."

26 BH Hotel, however, waited until almost five p.m. on February 8, 2024, the
 27 Friday before filing this motion on Monday, February 12, to send Kitross' counsel a
 28 purported meet-and-confer letter. See Declaration of Peter R. Maretz, Exhibit B.
 Although it refers to L.R. 7-3, this letter did not propose a conference to discuss the
 substance of the motion or a proposed resolution. On the contrary, it asserted that the
 letter itself "shall serve as a meet and confer." The letter also largely set out different
 bases for the motion than those made in BH Hotel's memorandum. With respect to
 the declaratory judgment claims, it made arguments that do not appear in the motion
 or brief. And it did not give notice of the "mirror image rule" argument that is the

1 sole basis now relied on in the brief for dismissal of these counterclaims.

2 Second, with respect to Kitross' claim for cancellation of BH Hotel's
3 trademarks for genericness, the letter does not raise the pleading argument discussed
4 above. The only argument disclosed in the letter that actually appears in BH Hotel's
5 brief is the argument that Kitross has failed to state a claim for tortious interference.
6 Finally, the letter does not provide any notice whatsoever of BH Hotel's request to
7 strike portions of the counterclaim under Rule 12(f). In short, while it purports to be
8 itself a meet-and-confer, the February 12, 2024 letter does not provide the substance
9 of the contemplated motion, much less any potential resolution, as Rule 7-3 requires.

10 Because there was no conference, BH Hotel also violated Rule 7-3's
11 requirement to include, in the notice of motion, a statement that the motion is made
12 following the conference of counsel, and including the date the conference took place.
13 Under these circumstances, BH Hotel has not complied with Rule 7-3. The Court
14 could, in its discretion, refuse to consider the motion for this reason. *See, e.g., Singer*
15 *v. Live Nation Worldwide, Inc.*, No. SACV 11-0427 DOC (MLGx), 2012 U.S. Dist.
16 LEXIS 5196, 2012 WL 123146, *2 (C.D. Cal. Jan. 13, 2012).

17 **V. CONCLUSION**

18 For the reasons discussed above, the entire motion should be denied.

20 DATED: February 26, 2024

KRANE & SMITH, APC

21 By: /s/ Jeremy D. Smith

22 Jeremy D. Smith

23 Craig S. Berman

24 Attorneys for Defendant KITROSS

25 APPAREL LOS ANGELES, LLC

